

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT:

Infrastructure and Investment Department – Director of Ports, Kakinada - Appointment of Financial Auditor for Gangavaram Port near Visakhapatnam – Orders – Issued.

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INFRASTRUCTURE AND INVESTMENT (PORTS.II) DEPARTMENT

G.O. Ms. No. 5

Dated: 08-4-2011

Read the following:

- 1) From DoP, Kakinada, Lr.No.DOP/D3/2201/2009, Dt.24-09-2010.
- 2) Govt. Memo. No.778/Ports.II/2010, dated:28-12-2010.
- 2) From DoP, Kakinada, Lr.No.DOP/D3/2201/2009, Dt.27-01-2011.

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In the letter 1<sup>st</sup> read above, The Director of Ports, Kakinada has stated that the Government ordered the DoP, Kakinada at para 3 –(3) to engage Independent Auditor as per clauses of the concession agreement duly following the procedure and conduct / get conducted the operational and financial audit to ensure the accuracy of the income derived by the privatized Ports vide G.O.Ms.No.33, I&I (Ports) Dept., Dated:01-07-2009. Accordingly, DoP office has invited tenders for appointment of Independent Auditors to Gangavaram Port. In response to the same two auditors viz., 1. N.C.Mittal and Co. C.A., New Delhi; 2. Haribhakti & Co., C.A., Hyderabad have tendered the work. Subsequently, the said tender was cancelled and M/s RITES, a Government of India Enterprise was requested to offer their quotation.

2. M/s RITES have quoted annual lumpsum fee of Rs.35.00 lakhs excluding Service Tax. They have further stated that the quote of fee given is for a period of 3 years commencing from the year 2010-11. Beyond this period, fee will set escalated at compound escalation rate of 10% per annum or re-negotiated as per the case. The terms of payment shall as follows:

At the beginning of the financial year	:	20%
At the time of submission of financial audit report	:	50%
At the time of acceptance of financial audit report by the Govt.:	:	30%

3. The Director of Ports, Kakinada has therefore requested the Government to issue orders appointing M/s RITES, Gurgoan as consultants for financial audit of Gangavaram Port Ltd., and also to issue the orders of Government for administrative sanction for the work of Appointment of Financial Auditor for Gangavaram Port near Visakhapatnam Dist., in A.P. for Rs. 38.65 lakhs (35.00lakhs+ ST @10.3%) under the head of account “5051 Capital outlay on Ports & Light Houses: 02 Minor Ports: MH 208 Gangavaram Port: GH 11 Normal State Plan: SH (04) Development of Gangavaram Port: 530 Major Works: 531 Other Expenditure”.

5. After careful examination of the proposal of Director of Ports, Kakinada Government hereby appoint M/s RITES as independent auditors with a payment of Rs. 35.00 lakhs per annum excluding Service Tax, for a period of 3 years commencing from the year 2010-2011 to audit the accounts of M/s Gangavaram Port Limited. The expenditure shall be debited to the relevant Head of Account.

6. The Chairman and Managing Director, M/s. Gangavaram Port Limited is directed to pay the said amount initially and they can claim 50% of the amount for reimbursement from the Government.

7. The Director of Ports, Kakinada is requested to take necessary action accordingly.

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8. This order issues with the concurrence of Finance Department vide their U.O.No.03022/86/Expr.P.W./A2/2011, dt. 8.02.2011.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

AJAY MISHRA  
PRINCIPAL SECRETARY TO GOVERNMENT

To  
The Director of Ports, Kakinada  
The Chairman and Managing Director, GPL , Visakhapatnam  
The Executive Director (Privatisation & Concessions), Rites Limited through the DoP,  
Kakinada.  
The District Treasury Officer, Kakinada, East Godavari District.  
Copy to:  
The Principal Accountant General, A.P., Hyderabad.  
The Finance (Exp.PW) Department.  
SF/Sc.

//FORWARDED: BY ORDER//

SECTION OFFICER